

EXHIBIT 63

Reed, Larry

September 26, 2007

Baltimore, MD

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UNITED STATES DISTRICT COURT
OF THE DISTRICT OF MASSACHUSETTS

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IN RE: PHARMACEUTICAL : MDL NO. 1456
INDUSTRY AVERAGE WHOLESALE : CIVIL ACTION
PRICE LITIGATION : 01-CV-12257-PBS
THIS DOCUMENT RELATES TO :
U.S. ex rel. Ven-A-Care of : Judge Patti B.
The Florida Keys, Inc., : Saris
Plaintiff, :
vs. :
ABBOTT LABORATORIES, INC., : Chief Magistrate
No. 06-CV-11337-PBS : Judge Marianne B.
Defendants. : Bowler

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VOLUME I

Baltimore, Maryland

Wednesday, September 26, 2007

Videotape Deposition of:

LARRY REED,

the witness, was called for examination by counsel
for the Defendants, pursuant to notice, commencing

Reed, Larry

September 26, 2007

Baltimore, MD

<p style="text-align: right;">Page 258</p> <p>1 drugs, both single and multiple source (even if 2 the drug has a MAC)."</p> <p>3 Earlier today, Mr. Reed, you made 4 reference to some federal regulations relating to 5 estimated acquisition cost, and I believe you 6 said there was some language you're familiar with 7 about what governs that.</p> <p>8 Is this language familiar to you as 9 that language?</p> <p>10 A. Parts of it are. Parts of it look to 11 be different than what the current regulations 12 are governing EAC.</p> <p>13 MS. MARTINEZ: For the record, I do 14 believe in 1987 there was a slight change in the 15 regulations.</p> <p>16 BY MR. TORBORG:</p> <p>17 Q. Okay. If I could ask you to go to the 18 top of the third page of the document, it has a 19 number in the upper right-hand corner, 10.193.</p> <p>20 The report states, "Within the 21 pharmaceutical industry, AWP means non-discounted 22 list price."</p>	<p style="text-align: right;">Page 260</p> <p>1 that list price or what price I would equate that 2 with.</p> <p>3 Q. What does the term "list price" mean? 4 Are you familiar with that term in this industry?</p> <p>5 A. I've heard it mentioned on many 6 occasions.</p> <p>7 Q. What is your understanding of what it 8 means?</p> <p>9 A. A list price would be a full price that 10 a purchaser may or may not obtain a drug at.</p> <p>11 Q. And you've heard the term AWP referred 12 to or analogized to a sticker price on a car; is 13 that fair to say?</p> <p>14 A. I have heard that term, yes.</p> <p>15 Q. And have you also heard the term 16 average wholesale price being called ain't what's 17 paid, right?</p> <p>18 A. It look a long time to get to that 19 joke, but we finally got there, yeah.</p> <p>20 Q. Okay. When did you get to that joke?</p> <p>21 A. For you to get to that joke --</p> <p>22 Q. Yes.</p>
<p style="text-align: right;">Page 259</p> <p>1 Mr. Reed, was that consistent with your 2 understanding of what the term "AWP" meant in the 3 pharmaceutical industry?</p> <p>4 A. At this point in time? I wasn't 5 working in the program at this point in time.</p> <p>6 Q. When you started your position in 1990 7 on the Medicaid side working on prescription drug 8 issues, was this sentence consistent with your 9 understanding of what the term AWP meant?</p> <p>10 A. To qualify that a little bit, if AWP 11 meant the published price in a pricing compendia 12 that the state would have referenced or used in a 13 state plan amendment, then it would be -- it 14 would be my understanding that that AWP would be 15 more than the state should pay for the drug. In 16 other words, AWP should be discounted.</p> <p>17 Q. Was it your understanding that AWP 18 referred to a non-discounted list price?</p> <p>19 A. It's my understanding that AWP is a 20 price, again, that was reported in the compendia 21 that would be more than what a state would pay 22 for a drug. I'm not quite sure if I would equate</p>	<p style="text-align: right;">Page 261</p> <p>1 A. -- today.</p> <p>2 Q. Okay. Yes, it is 3:30.</p> <p>3 When did you learn about that?</p> <p>4 A. The saying has been around for a long, 5 long time.</p> <p>6 Q. If I could ask you to flip forward in 7 this document to the page ending -- or with the 8 number in the upper right-hand corner 10,205, I'd 9 like to read some of the language in the last 10 paragraph and ask you some questions about it.</p> <p>11 Actually, why don't you just read that 12 to yourself, and then I'll follow up some --</p> <p>13 A. The last paragraph on that page 14 beginning on February 22nd?</p> <p>15 Q. Yes --</p> <p>16 A. Okay.</p> <p>17 Q. -- and then continuing over to the next 18 page.</p> <p>19 (A discussion was held off the 20 record.)</p> <p>21 THE WITNESS: Just until the top of 22 conclusions on the next page?</p>

66 (Pages 258 to 261)